

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1205
ANSWERED ON:07.03.2008
IRANI COMMITTEE REPORT
Panda Shri Prabodh

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the J.J. Irani Committee had suggested the new structure in its report submitted in 2005;
- (b) if so, the details thereof;
- (c) whether the Government is contemplating to allow the formation of One-Person Companies (OPCs); and
- (d) if so, the details thereof?

Answer

MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b): The Expert Committee under the Chairmanship of Dr. J J Irani, constituted on 02.12.2004 to advise the Government on revision to the Companies Act, 1956, submitted its report on May 31, 2005. The Committee, made several recommendations with regard to changes/amendments/revisions felt desirable in the Companies Act, 1956. The Committee, inter alia, observed that the Company Law should take into account the requirements of different kinds of companies and prescribe the essential requirements of their corporate governance structure and that Small and Private Companies should be provided greater flexibility and freedom of operation while enabling compliance at low cost. To encourage the entrepreneurial talent of the people in the emerging service and information technology driven environment, the Committee recommended that law should also recognize One-Person Company (OPC). Such companies should be provided with a simple compliance regime under the legal framework through exemptions as appropriate.

(c) & (d): Government has taken up a comprehensive review of the Companies Act, 1956. Taking into account the recommendations of the Irani Committee and other inputs received by the Government from time to time, a new Companies Bill is being finalized which is expected to be introduced in the Parliament shortly.